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C O N F I D E N T I A L SECTION 01 OF 02 CONAKRY 000333

SIPDIS SENSITIVE

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TAGS: <u>EAID PREL PGOV KDEM ASEC</u>
SUBJECT: DONORS TELL CNDD THAT THEY WILL ONLY SUPPORT ELECTIONS, NO NEW INITIATIVES

Classified By: POL/ECON CHIEF SHANNON CAZEAU FOR REASON 1.4 B AND D

- 11. (SBU) SUMMARY. A particularly heated exchange between the German Ambassador and the Minister of Finance on June 4 indicates that the international donor community is moving towards a tougher policy stance in Guinea. In response to the Minister's pleas for assistance for long-term projects, the international community repeatedly emphasized that the only assistance that will be coming to the country is aid to support the electoral process. Participants were also critical of the GOG's lack of progress on elections. END SUMMARY.
- 12. (SBU) USAID Program Specialist attended a meeting on June 4 at the Ministry of Finance regarding the coordination of foreign assistance. The meeting was also attended by the Ambassadors of Germany, Japan, Spain, and the United Kingdom as well as the EU representative, the UN System Coordinator, the UNDP Country Director, and representatives from UNHCR, France, and the Islamic Bank. The Minister of Finance chaired the meeting and was joined by senior advisors from the ministries of finance, planning, cooperation, and territorial administration and political affairs.

## PLEA FOR HELP ON LONG-TERM AGENDA

¶3. (SBU) In his introductory speech, the Minister underscored the need to establish a permanent mechanism for consultations between the GOG and the donor community in order to strengthen dialogue on Guinea's economic and financial problems. He then proceeded to discuss a number of different programs that the CNDD would like to undertake including capacity building within the ministries, securitization of government revenues, public sector reforms, food security, water and electricity, youth employment initiatives, and support for marginalized and poverty-stricken citizens. (COMMENT. The proposal was essentially the same as the one presented by the CNDD shortly after they seized power in December. END COMMENT).

## NO HELP EXCEPT FOR ELECTIONS

14. (SBU) As the German Ambassador, Karl Prinz, took the microphone, he angrily demanded that all the cameras leave the room so that participants could speak freely. The cameramen quickly exited. Using blunt language and an uncharacteristically aggressive tone, Ambassador Prinz said that the CNDD needs to understand that it should not be taking on any new initiatives that cannot be completed before the end of the year. He emphasized that the CNDD's sole focus should be on organizing credible and transparent elections by December 2009. Ambassador Prinz denounced the

 ${\tt CNDD's}$  plan as a "long-term development plan," which negates commitments to a short transition.

- 15. (SBU) Continuing, Ambassador Prinz pointed out that the CNDD had failed to achieve key benchmarks outlined in the election timeline, including the establishment of a national council (CNT) of transition by the end of May. Prinz, who had previously advocated a milder, almost appeasing approach in dealing with the junta, added that the donor countries will only support the electoral process and nothing more, concluding "if Guinea is a sovereign nation, so too are its donor partner nations."
- 16. (SBU) Other members of the diplomatic corps proceeded in the same vein, although with a decidedly less aggressive tone. The Spanish Ambassador inquired about the status of the CNT while the British Ambassador asked about the status of the GOG's financial contribution to the electoral process. The Japanese Ambassador emphasized that Japan had condemned the coup and will continue ongoing projects, but will not support any new projects other than those supporting the electoral process. Similarly, the EU said that they would not fund any new initiatives other than electoral programs. The French representative noted that Guinea had failed to make bilateral debt payments, which puts the country at risk of sanctions. The Islamic Development Bank took a different position, stating that the Bank would continue its assistance program as the Bank "does not abandon a country in difficulty."

WE ALL WANT ELECTIONS

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years, Guinea was cited as an example of best practices in terms of aid coordination, but that the country recently rated poorly in terms of implementing the recommendations of the Paris declaration. Citing "institutional conflicts," they attributed these difficulties to the fact that internally, aid coordination is shared among the ministries of finance, cooperation, and planning. They admitted that they could not currently prepare any kind of report on multilateral, bilateral, NGO, or private sector assistance. The officials explained that these difficulties have

illustrated the importance of clarifying roles and responsibilities, and of creating a strong mechanism to

facilitate coordination with the donor community.

17. (SBU) In response, GOG representatives said that for

- 18. (SBU) The Minister of Finance towed the party line, saying that the CNDD supports the election timeline and that CNDD President Moussa Dadis Camara has no intention of staying in power. However, he pointed out the continued lack of election funding, emphasizing that Dr. Chambas, co-chair of the International Contact Group on Guinea (ICG-G), had called on donors to mobilize resources in support of the election. Quoting Chambas, the Minister said "the ball is in the donor community's court." Commenting on the CNDD's agenda, the Minister said that the projects and programs initiated by the CNDD would be ultimately implemented by the next administration.
- 19. (SBU) There was also some discussion between the Minister and members of the donor community regarding low disbursement rates for assistance funds, which apparently has to do with money disbursed from the donor community to the GOG. The discussion indicated that the GOG takes a long time to mobilize the resources. The Minister berated the assembled GOG staff, saying that "they will go to hell because they are depriving poor citizens of access to development projects." He quoted Dadis when he said "imperialism is not in France, the U.S., or Germany, but in Guinea."
- 110. (SBU) The Minister insisted on the importance of

institutionalizing a framework for consultation. He said he wanted to hold and personally chair periodic meetings. To this end, he called on GOG officials from all three ministries to submit an action memorandum by June 6, to include recommendations on what kind of mechanism should be established and clarification of responsibilities. Participants agreed to hold another meeting after the World Bank/IMF assessment team visit.

## COMMENT

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111. (C) The meeting was significant in terms of the unrehearsed, hard-line position of the international donor community. The German Ambassador's comments were particularly surprising since he is usually much more mild mannered and has been in favor of speaking carefully to the members of the junta. Recent discussions within the international community indicate that countries are moving towards a universally tougher policy stance. Patience with Dadis and the CNDD seem to be waning, especially in view of the increasingly deplorable human rights situation and the lack of progress towards election. Countries that looked like they might have been willing to consider wavering just a few months ago, now seem to be moving in the opposite direction. END COMMENT. RASPOLIC